

NITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice PL-268

For: State and County Offices

**Web-Based Subsidiary Eligibility Modifications for
“Adjusted Gross Income - 2014 Farm Bill” and “AD-1026”**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Notice PL-266 provided information on modifications for the “Adjusted Gross Income - 2014 Farm Bill” section in the web-based Subsidiary Eligibility System for Phase 1.

Phase 1 was available on December 8, 2014, and allowed users to update a new “Adjusted Gross Income - 2014 Farm Bill” \$900,000 Total Income Certification/COC Determination option, “Filed CCC-941”. The option allowed payment processes to immediately determine AGI eligibility for producers.

Phase 2 modifications include a redesign of the “Adjusted Gross Income - 2014 Farm Bill” section.

AD-1026 has been updated to include an option to indicate the producer is filing the form for the first time, has FCIC reinsured crop insurance, and is subject to HELC and WC provisions.

Disposal Date	Distribution
October 1, 2015	State Offices; State Offices relay to County Offices

1 Overview (Continued)

B Purpose

This notice:

- advises State and County Offices that the “Adjusted Gross Income - 2014 Farm Bill” section in the Subsidiary Eligibility Web-Based System is being redesigned
- provides guidance on updating the Certification/Determination in the “Adjusted Gross Income - 2014 Farm Bill” section
- advises State and County Offices that the “AD-1026” section includes a new option to indicate the producer is filing AD-1026 for the first time
- provides guidance on updating the new “AD-1026” option for first time filers
- advises State and County Offices that software modifications will be available on or around April 20, 2015.

2 Web-Based Subsidiary Eligibility System “Adjusted Gross Income - 2014 Farm Bill” Modifications

A Introduction

Phase 2 “Adjusted Gross Income - 2014 Farm Bill” modifications will be available on or around April 20, 2015, and will provide a redesign of the “Adjusted Gross Income - 2014 Farm Bill” section with separate fields for:

- Producer Certification
- IRS Verification/Determination
- State Office/SED Determination.

2 Web-Based Subsidiary Eligibility System “Adjusted Gross Income - 2014 Farm Bill” Modifications (Continued)

B Redesigned “Adjusted Gross Income - 2014 Farm Bill” Section

The redesigned “Adjusted Gross Income - 2014 Farm Bill” \$900,000” section will be available when the modifications are released according to subparagraph A.


Following is an example of the updated “Adjusted Gross Income - 2014 Farm Bill” section.

Adjusted Gross Income - 2014 Farm Bill

\$900,000 Total Income Producer Certification

☒ Not Filed
☐ Exempt

☐ Filed CCC-941
☐ Not Met-Producer

Date Documentation Filed by Producer 

IRS Verification/Determination

☒ Not Processed
☐ Compliant - Less Than 3 Years
☐ Failed Verification


☐ Compliant-Producer
☐ Not Compliant

Date Processed by IRS

State Office/SED Determination

☒ No Determination
☐ Mismatch Verified

☐ Compliant-Review
☐ Not Compliant-Review

SED Determination Date 

2 Web-Based Subsidiary Eligibility System “Adjusted Gross Income - 2014 Farm Bill” Modifications (Continued)

C Fields Applicable to “Adjusted Gross Income - 2014 Farm Bill” Determinations

The following table provides a definition of the fields applicable to “Adjusted Gross Income - 2014 Farm Bill” certification/determinations.

Field	Option	Explanation
\$900,000 Total Income Producer Certification	Not Filed	Producer and/or agent has not filed CCC-941 or the eligibility verification has not been received back from IRS.
	Filed CCC-941	Producer and/or agent has filed the AGI certification form and certified their average AGI does not exceed \$900,000.
	Exempt	Producer is exempt from AGI provisions.
	Not Met - Producer	Producer and/or agent has filed CCC-941, but has indicated that their average AGI exceeds \$900,000.
Date Documentation Filed by Producer		Date producer provided all required documentation for the certification/COC determination.
IRS Verification/ Determination	Not Processed	Producer has not been updated through the IRS verification process.
	Compliant - Producer	Producer and/or agent has certified their average AGI does not exceed \$900,000 and verification has been received from IRS supporting the certification.
	Compliant – Less Than 3 Years	Producer and/or agent has certified their average AGI does not exceed \$900,000 and IRS has verified a match for the customer information; however, 3 years of tax information is not available.
	Not Compliant	Producer and/or agent has certified their average AGI does not exceed \$900,000; however, IRS has determined the average AGI exceeds the \$900,000 threshold.
	Failed Verification	Producer and/or agent has certified their average AGI does not exceed \$900,000; however, IRS cannot find a customer match and, therefore, cannot determine the average AGI.
Date Processed by IRS		Display only field updated automatically with the date IRS processed the producer’s CCC-941.

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2 Web-Based Subsidiary Eligibility System “Adjusted Gross Income - 2014 Farm Bill” Modifications (Continued)

C Fields Applicable to “Adjusted Gross Income - 2014 Farm Bill” Determinations (Continued)

Field	Option	Explanation
State Office/SED Determination	No Determination	Case has not been reviewed by the State Office to determine whether AGI provisions have been met.
	Compliant – Review	Case has been reviewed by the State Office and/or SED and determined the producer meets AGI provisions.
	Mismatch Verified	State Office and/or SED determined the producer on the IRS Mismatch Report matched the producer in SCIMS and IRS returned “Compliant” or “Compliant – less than 3 years”.
	Not Compliant - Review	Case has been reviewed by the State Office and/or SED and determined the producer does not meet AGI provisions.
SED Determination Date		Date State Office and/or SED determined the producer’s AGI eligibility status.

D Updating “Adjusted Gross Income - 2014 Farm Bill” \$900,000 Total Income Producer Certification

County Office users:

- are responsible for updating customers who file CCC-941
- are **not** required to update the “Filed CCC-941” option for customers previously updated automatically from the IRS to Subsidiary process in FY 2011 through FY 2014
- shall update the “Adjusted Gross Income - 2014 Farm Bill” \$900,000 Total Income Producer Certification for all customers who have filed CCC-941 in FY 2011 through FY 2014 that have **not** been automatically updated by IRS
- shall update the “Adjusted Gross Income - 2014 Farm Bill” \$900,000 Total Income Producer Certification for all customers who have filed CCC-941 in FY 2015
- are responsible for sending CCC-941 to IRS for processing if the customer certifies to **not** exceeding \$900,000
- shall **not** send CCC-941 to IRS for processing for customers certifying to exceeding the \$900,000 threshold

2 Web-Based Subsidiary Eligibility System “Adjusted Gross Income - 2014 Farm Bill” Modifications (Continued)

D Updating “Adjusted Gross Income - 2014 Farm Bill” \$900,000 Total Income Producer Certification (Continued)

- shall **not** request CCC-941 from customers who are “Exempt” from AGI provisions

Note: However, if CCC-941 is inadvertently filed, County Offices shall **not** send CCC-941 to IRS for processing.

- shall access the web-based Subsidiary Eligibility System according to 3-PL (Rev. 1), paragraph 24 and perform the following steps.

Step	Action
1	On the Eligibility Page, navigate to the “Adjusted Gross Income - 2014 Farm Bill” section.
2	<ul style="list-style-type: none"> • If the producer’s and/or agent’s certification of average AGI indicated: <ul style="list-style-type: none"> • does not exceed \$900,000, CLICK “Filed CCC-941” under “\$900,000 Total Income Producer Certification” • exceeds \$900,000, CLICK “Not Met - Producer” under “\$900,000 Total Income Producer Certification” • enter the date the producer provided the documentation for the determination in the “Date Documentation Filed by Producer” field • CLICK “Submit”.
3	On the Validation Page, verify the changes for the producer are correct, and click 1 of the following: <ul style="list-style-type: none"> • “Accept”, if the changes are correct • “Revise”, if the changes need to be updated • “Cancel”, if the changes should not have been made.
4	The Eligibility Page will be redisplayed with the updates to the producer.

2 Web-Based Subsidiary Eligibility System “Adjusted Gross Income - 2014 Farm Bill” Modifications (Continued)

E “Adjusted Gross Income - 2014 Farm Bill” IRS Verification/Determination

IRS will process the producer’s CCC-941 and return a determination to the Subsidiary system. The IRS determination and IRS processed date will automatically update in the Subsidiary system during a weekly process typically within a day of receiving the data back from IRS.

The IRS determination will no longer automatically update if the producer’s certification is anything other than “Filed CCC-941”.

The automatic process to update the “Adjusted Gross Income - 2014 Farm Bill” IRS Determination will be restarted approximately 3 weeks after the redesigned Adjusted Gross Income – 2014 Farm Bill section is available. County Office users shall continue to submit producer’s CCC-941 to IRS. IRS will continue to input and process the producer’s CCC-941. The Subsidiary Eligibility System will automatically update the “Adjusted Gross Income- 2014 Farm Bill” IRS Determination for all producer data returned by IRS from the time the process was placed on hold in December.

All previously updated IRS determinations processed from IRS before December 8, 2014, were moved to the new “AGI 2014 Farm Bill IRS Verification/Determination” section.

See 5-PL, Part 6 for additional information on providing and processing CCC-941.

F Updating “Adjusted Gross Income - 2014 Farm Bill” State Office/SED Determination

Authorized State Office users have the ability to review and update the SED determination, when applicable. See 5-PL, paragraph 308 for additional information on FSA reviews and compliance determinations.

In a future enhancement, the Subsidiary Eligibility Report will be updated to allow State and County Offices to select AGI 2014 Farm Bill certifications and/or determinations for a specific county to review customers. Until the Subsidiary Eligibility Report is updated, a weekly report will be e-mailed to State Offices providing a list of the customers that are “Not Compliant”.

State Office and/or SED determinations that were previously updated to “Compliant – SED” were converted to the new “Mismatch Verified” option. If the State Office and/or SED has performed a review as described in 5-PL, paragraph 308 of the Adjusted Gross Income certification and/or determination, the State Office/SED Determination shall be updated to “Compliant – Review” or “Not Compliant – Review” by an authorized State Office user.

If the IRS determination is “Failed Verification”, the State Office and/or SED shall perform a review and an authorized State Office user shall update the State Office/SED Determination to “Compliant – Review” or “Not Compliant – Review”.

2 Web-Based Subsidiary Eligibility System “Adjusted Gross Income - 2014 Farm Bill” Modifications (Continued)

F Updating “Adjusted Gross Income - 2014 Farm Bill” State Office/SED Determination (continued)

Authorized State Office users will access the web-based Subsidiary Eligibility System according to 3-PL (Rev. 1), paragraph 24 and perform the following steps when the case has been reviewed by the State Office and/or SED and a determination has been made.

Step	Action
1	On the Eligibility Page, navigate to the “Adjusted Gross Income – 2014 Farm Bill” section.
2	<p>If the determination was made that:</p> <ul style="list-style-type: none"> the producer meets AGI provisions, then under “State Office/SED Determination”, CLICK “Compliant - Review” the producer does not meet AGI provisions, then under “State Office/SED Determination”, CLICK “Not Compliant – Review” the producer mismatch is verified and resolved from the IRS Mismatch Report and the report displays the producer as “Compliant – Producer” or “Compliant – Less Than 3 Years”, then under “State Office/SED Determination”, CLICK “Mismatch Verified” in the “State Office/SED Determination Date” field, enter date the determination was made CLICK “Submit”.
3	<p>On the Validation Screen verify the changes for the customer are correct and click 1 of the following:</p> <ul style="list-style-type: none"> “Accept”, if the changes are correct “Revise”, if the changes need to be updated “Cancel”, if the changes should not have been made.
4	The Eligibility Page will be redisplayed with the updates to the customer.

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3 Web-Based Subsidiary Eligibility System “AD-1026” Modifications

A Introduction

The “AD-1026” section will be updated with a new option to indicate a producer is filing an AD-1026 for the first time.

The AD-1026 Modification will be available on or around April 20, 2015.

B “AD-1026” Section new option for First Time Filer

The new option to indicate a producer is filing an AD-1026 for the first time will be available when the modifications are released according to subparagraph 3A.

This is an example of the updated “AD-1026” section.

AD-1026	
Certification	
<input type="radio"/> Certified	<input checked="" type="radio"/> Not Filed
<input type="radio"/> Good Faith Determination	<input type="radio"/> COC Exemption
<input type="radio"/> Awaiting Affiliate Certification	<input type="radio"/> Affiliate Violation
AD-1026 date of continuous certification signed by producer <input type="text"/>	
First Time Producer Filing AD-1026	
<input type="radio"/> Yes	<input checked="" type="radio"/> No
Date First Time Producer Filing AD-1026 <input type="text"/>	
Referred to NRCS	
<input type="radio"/> Yes	<input type="radio"/> No
Date AD-1026 referred to NRCS <input type="text"/>	

3 Web-Based Subsidiary Eligibility System “AD-1026” Modifications (Continued)

C Updating “AD-1026” First Time Filer

County Office users shall update the AD-1026 First Time Filer to “Yes” and enter the AD-1026 First Time Filer Date when the producer certifies this is their first time filing AD-1026, have FCIC reinsured crop insurance, and are subject to HELC and WC provisions as described in AD-1026, box 8A.

Producers who have previously filed AD-1026 before FY 2014 shall not be considered as first time filers. County Office users will receive an error message if the First Time Filer Indicator is updated to “Yes”, and the producer has filed AD-1026 in years before FY 2014.

The AD-1026 First Time Filer certification is applicable to 2014 and Subsequent years. The certification entered will display in every year from 2014 and forward. For example, if the County Office user updates the AD-1026 First Time Filer to “Yes” and enters the first time filer date in FY 2014, the same certification will carry forward to subsequent years and also display in FY 2015.

County Office users will access the web-based Subsidiary Eligibility System according to 3-PL (Rev. 1), paragraph 24 and perform the following steps to update the AD-1026 First Time Filer field.

Step	Action
1	On the Eligibility Page, navigate to the “AD-1026” section.
2	<p>If the certification was made that:</p> <ul style="list-style-type: none"> the producer is filing an AD-1026 for the first time, then under “First Time Producer Filing AD-1026”, CLICK “Yes” In the “Date First Time Producer Filing AD-1026” field, enter the first time producer filing date CLICK “Submit”.
3	<p>On the Validation Screen, verify the changes for the customer are correct and click 1 of the following:</p> <ul style="list-style-type: none"> “Accept”, if the changes are correct “Revise”, if the changes need to be updated “Cancel”, if the changes should not have been made.
4	The Eligibility Page will be redisplayed with the updates to the customer.

4 Action

A County Office Action

County Offices shall ensure that the:

- “Adjusted Gross Income - 2014 Farm Bill” \$900,000 Total Income Producer Certification is updated according to paragraph 2 for producers who have filed CCC-941.
- “AD-1026” First Time Filer field is updated according to paragraph 3 for producers who have filed AD-1026 and are a first time filer.